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Trade Liberalisation, Non-tariff Barriers and Market Access

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Abstract

Does trade liberalisation leads to increased market access for producers in developing (Southern) countries into the consumer markets in developed (Northern) countries? From the viewpoint of neo-classical trade theory, trade liberalisation should generate increased production efficiency for Southern exporters and lead to an increase in the volume of trade. However, empirical evidence over the past decade suggests a growing marginalisation of smaller producers and poorer farmers in Southern countries as they find their access to Northern markets restricted. It is thus worthwhile to ask whether conventional trade barriers have been replaced by non-tariff or hidden barriers to trade in the form of product labeling, imposition of traceability criteria and global value chains, and if so whether there exists (i) strategic export rivalry amongst Southern countries to develop their own or implement Northern standards to gain access to Northern markets, (ii) evidence that these schemes (labeling, traceability and value chains) favour larger and more organised Southern producers at the expense of their poorer counterparts, (iii) evidence that certain types of products are relatively more vulnerable in terms of gaining access to Northern markets, and (iv) co-ordination problems amongst Northern countries with regards to the enactment and implementation of product standards.

Keywords: Consumer markets, global value chains, product standards, trade barriers